

MINUTES OF MEETING OF THE
CITY COUNCIL OF THE CITY OF SANFORD
SANFORD, NORTH CAROLINA

The City Council met at the Sanford Municipal Center, 225 E. Weatherspoon Street, on Tuesday, April 16, 2013 at 7 P.M. in the Council Chambers. The following people were present:

Mayor Cornelia P. Olive	Council Member Rebecca Wyhof
Mayor Pro Tem Sam Gaskins	Council Member L. I. (Poly) Cohen
Council Member Jimmy Haire	Council Member Walter H. McNeil, Jr.
Council Member James Williams	Council Member Charles Taylor
City Manager Hal Hegwer	Deputy City Clerk Janice Cox
City Attorney Susan Patterson	

Absent: City Clerk Bonnie White

Mayor Cornelia Olive called the meeting to order. A moment of silence was observed. The Pledge of Allegiance was recited.

PUBLIC COMMENT – (Exhibit A)

Mike McDonald of 1904 Wedgewood Drive in Carolina Trace spoke concerning Carolina Trace water rates (Item 6C on the Consent Agenda). He stated that he had lived in Carolina Trace since 2002 and he believes that Carolina Trace has the highest water and sewer rates in the state of North Carolina. He thanked the City and Public Works Director Vic Czar for putting together the new contract that appears to reduce the water purchase cost to Trace Utilities by more than 30 percent. Mr. McDonald stated that Carolina Trace Utilities has stated they would not pass the reduced rates along to the customers. Mr. McDonald said that there are 1,550 residences in Carolina Trace and currently there are many more military and young families living in Trace. Some are seeing water rates three to four times higher than citizens of Sanford pay. He asked for Council's help.

Tom Ryan of 3046 Creek Run in Carolina Trace stated he is speaking as a realtor who lives in Trace and sells property. He stated that the water issue was of great concern to new residents and others. He understood that the Sanford City water and sewer minimum is \$29 per month. Trace water and sewer minimum is \$94 per month or revenue of about \$150,400 per month that Carolina Trace Utilities takes in with a purchase cost to them of \$10,276 or a difference of \$140,000 if Carolina Trace purchases the minimum. He wonders where all that money goes. As a realtor, he questioned if it was right for people in one part of town to pay three times the amount for their water and sewer that the city folks do.

Al Rushatz stated he lived in Carolina Trace at 199 Saw Timber Road. He is the owner of Carolina Trace Gated Properties Real Estate Company located in Carolina Trace. He stated that when customers come in, they have a briefing room where they go over all the great things about Carolina Trace and then switch to the great things about Sanford—new hospital, shopping centers, Temple Theater, etc. He stated that although the people who live in Carolina Trace are outside the city limits, they are very much involved with the city of Sanford. He is asking for a

lower water-sewer rate. Potential customers, who come from many different states, appear to be quite shocked when they hear about the water-sewer rates for Trace and has a negative impact on real estate sales. He asked for Sanford's help in getting the water-sewer costs down.

Current president of Carolina Trace, Tony Forgione, of 7013 Pine Road in Carolina Trace, stated that many of the things he wanted to discuss have already been discussed. He added that it had been a long time waiting for someone to make a decision about water for Trace. He thinks a decision should be made to help them. They have asked for help for several years. He wanted to know if any changes were made in their water-sewer contract before it went to Council. He thanked Council for their help.

Mayor Olive stated they were well aware of the contributions the people of Carolina Trace make to Sanford in so many ways.

Reginald Victor Marsh, Jr. of 2607 Cemetery Road, Sanford, spoke about his concerns about possible water contamination when fracking occurs in Sanford. He asked Council to establish procedures to protect the water supply.

Bill Jones, III and Bob Joyce signed the Public Comment List but wanted to speak on zoning issues. They will speak during the public hearing for those issues.

APPROVAL OF AGENDA

Council Member Charles Taylor requested to pull Item 6C (Approval of Water Purchase Contract Between the City of Sanford and Carolina Trace Utilities, Inc.) from the Consent Agenda and place on the Regular Agenda as Item 10B.

The amended Council agenda was unanimously approved upon the motion of Council Member Jimmy Haire and seconded by Mayor Pro Tem Sam Gaskins.

CONSENT AGENDA

Approval of Grant Project Ordinance Amendment – North Carolina Housing Finance Agency – 2011 Urgent Repair Program (URP1124) – (Exhibit B)

Approval of Authorizing Resolution by Governing Body of Applicant – NC Building Restoration and Reuse Grants Program – (Exhibit C)

Approval of Health Insurance Renewal – (Exhibit D)

The Consent Agenda was unanimously approved upon motion of Council Member Rebecca Wyhof and seconded by Council Member Poly Cohen.

CASES FOR PUBLIC HEARING—too be held jointly with the Planning Board

- A. Application by James H. Tucker of TDI Dreamland, LLC to rezone 2.57 acres +/- located in the southwestern corner of NC Hwy 78/Tramway Road and St. Andrews Church Road and addressed as 46–53, 62, 69, and 82 St. Andrews Church Road., from Residential Single-family (R-20) Zoning District with a

Manufactured Home Park Overlay to General Commercial (C-2) Zoning District. The property is the same as depicted on Lee County Tax Map 9641.02, as a portion of Tax Parcel 9641-76-9458-00 Lee County Land Records. – (Exhibit E)

Mayor Olive established that a quorum of the Planning Board was present.

Planner II Amy McNeill explained that this is a rezoning petition submitted by James H. Tucker of TDI Dreamland, LLC requesting to rezone approximately 2.5 acres located in the southwest corner of Tramway Road and St. Andrews Church Road from Residential Single Family (R20) zoning district with a manufactured home park overlay district to General Commercial (C2) zoning district in order to allow for the redevelopment of the site in a commercial manner.

The site is developed with approximately two mobile home park spaces within Dreamland Mobile Home Park and a ranch-style single-family dwelling. The site also appears to have access to public water and public sewer. Residential uses in the area include two mobile home parks which are zoned R-20 with a manufactured home park overlay district and single family homes located within the Courtland Acres subdivision, also zoned R-20.

Commercial uses in the area include a laundromat/convenience store; a commercial lease building that houses a used auto sales business; a convenience store with gas sales; and two additional lease spaces. The proposed zoning of General Commercial C-2 is established to provide areas for general commercial activity, such as shopping centers, repair shops, wholesale businesses, and retail sales with limited outdoor display of goods and operations. The 2020 Land Use Plan identifies this area as Mid/High Density Residential-Office.

Staff recommends that the Board support this rezoning petition as it appears to be consistent with the current development in the area. This request appears to be reasonable and in the public interest based on the availability of public water and public sanitary sewer and the frontage onto Tramway Road/NC Highway 78, which is a public street with a relatively high traffic count.

Mayor Olive opened the public hearing.

Mayor Pro Tem Gaskins asked where the City Limits were in that area. Ms. McNeill pointed out the area on an overhead map, also contained in council packet as Page 85 or Exhibit E.

Mayor Olive stated that she hoped this would be an improvement in the property and asked if it would mean the removal of any mobile homes. Ms. McNeill stated that she thinks the property owner is looking to the future and considering redevelopment in a commercial manner. In the future, she believes the removal of mobile homes will happen with the rezoning of the property to commercial.

James Tucker of 1420 Crepe Myrtle Drive, Sanford, the applicant and owner of the property, spoke in favor of the rezoning. He stated he would like council to accommodate him in the future with rezoning commercially. His goal is to relocate the eight mobile homes in the property to a larger mobile home park and relocate the home on a parcel he currently owns. His goal is not to disrupt the lifestyle of the tenants there.

No one spoke against the petition. Mayor Olive closed the public hearing.

Mayor Olive reopened the public hearing for a question from Council Member Williams. Mr. Williams asked Public Works Director the proximity of the lift station to this property. Mr. Czar stated there is one about three miles from there, and the discharge point is right at the intersection of Tramway Road and St. Andrews Church Road.

Mayor Olive closed the public hearing.

- B. Application by Sanford Soup Kitchen, Inc. to rezone 0.8357 of an acre +/- with frontage on an unpaved portion of Wilson Street and located to the rear of a Commercial (C-2) Zoning District. The property is identified as lots 4, 5, and 6 on a plat labeled "Property of Father George Mills," dated 1954 and recorded in Plat Cabinet 2, Slide 529, of the Lee County Register of Deeds Office and is further identified on Lee County Tax Map 9643.19, as Tax Parcel 9643-71-0687-00 Lee County Land Records. – (Exhibit F)

Planner II Amy McNeill explained that this petition is asking to rezone the area developed as The Bread Basket, a community food service, from Residential Mixed (R-6) to General Commercial (C-2). Commercial uses in the area include a vacant commercial building on the adjoining lot at 142 E. Chisholm Street, which is zoned General Commercial (C-2) and the former Father George Mill property fronting Chisholm Street on the opposite side on the railroad tracks which is zoned Light Industrial (LI). It does not appear that any of these structures are currently occupied by a business. Refer to Exhibit F for complete details.

Staff recommends that Council and Planning Board support this rezoning petition as it appears to be reasonable and in the public interest based on the existing zoning of General Commercial on the two adjoining lots which front on East Chisholm Street (and are under the same ownership) and the availability of public water and public sanitary sewer. The 2020 Land Use Plan identifies this area as Historic District, which does not address a specific land use category, such as residential or commercial.

Mayor Olive opened the public hearing.

Council Member Williams asked if there were any buffering requirements. Ms. McNeill stated that if they were to develop the property, there would be buffering requirements.

President of the Bread Basket, Bill Jones, III, of 1810 Carbonton Road in Sanford, spoke in favor of the petition. It is also called the Sanford Soup Kitchen in most affidavits they have. He stated that they have been in business for 23 years in different locations in Sanford, with the present location at 140 E. Chisholm Street. Last year the Bread Basket served 49,995 plates at lunch during five days a week. Their 8'x8'x10' outside freezer was starting to give problems and repair bills grew. Through a fund drive, they were able to order a new 8'x8'x20' outside freezer. In applying for the building permit for the new slab freezer equipment and shelter to protect the freezer, they found that the rear parcels of their property were zoned R-6 and their present building is on two lots that have C-2 zoning. After having the property recombined, they feel the entire property should be zoned C-2 so they may continue their mission to feed the needy of Sanford and Lee County.

No one spoke against the rezoning. Mayor Olive closed the public hearing.

- C. Application by MacGregor Square, LLC to rezone 17.261 acres +/- with frontage on both S. Horner Blvd and Hal Siler Drive and located to the rear of 3010 S. Horner Blvd from Office & Institutional (O&I) Zoning District to General Commercial (C-2) Zoning District. The property is identified as Tract 2 on a plat labeled "Boundary Survey for DLP Automotive, LLC," dated 2004 and recorded in Plat Cabinet 10, Slide 46-H of the Lee County Register of Deeds Office and is further identified on Lee County Tax Map 9651.08 as a portion of Tax Parcel 9651-88-8471-00 Lee County Land Records. – (Exhibit G)

Planner II Amy McNeill explained that this is a request to rezone from Office & Institutional (O&I) to General Commercial (C-2). This is the first step in developing this site as a shopping center. In March of 2013, Daniel L. Brown of MacGregor Square, LLC expressed an interest in developing a vacant tract of land which adjoins the Southside Plaza Shopping Center as a shopping center. The subject property appears to have access to public water and public sewer. The proposed zoning district is established to provide areas for general commercial activities designed to serve the community such as shopping centers, repair shops, wholesale businesses, and retail sales with limited outdoor display of goods and limited outdoor operations. The property does not appear to be located within a Watershed Conservation Overlay District, a Flood Hazard Area, the 421 Bypass Corridor, or within the areas included within any of the adopted small area plans.

Staff recommends that the City Council and Planning Board support this rezoning petition as it appears to be consistent with the current development in the area, which is relevant since the 2020 Land Use Plan identifies this area as Mid/High Density Residential Office. The request appears to be reasonable and in the

public interest based on the availability of public water and public sanitary sewer and the frontage on S. Horner Boulevard, which is a public street with a relatively high traffic count.

Mayor Olive opened the public hearing.

Nick Brown of 8701 Geerling Grove Drive, Raleigh, spoke in favor of the petition. He stated that his firm is NDB Commercial Real Estate and MacGregor Square is a partnership with himself and his father. He stated that they were under contract to purchase and develop this property. The purpose is for retail sales. It is to be separately branded from South Side Plaza, but with connectivity to the two shopping centers. The tenants have not been finalized. Proposed is a 55,000 square foot big box national retailer and two 24,000 square foot national retailers—all Class A and operating in all fifty states. He asked for on-going support because there are environmental issues to this site. He is dealing with the army corps of engineers and others. At some point, they may need public support. They are not proposing to build on the last six acres of the property for environmental reasons, so there would not be any issues to any neighboring residential properties. This would actually be a connection of the shopping centers.

Bob Joyce of 2003 Vantage Point, Sanford, spoke for the Chamber of Commerce in favor of the development. He is familiar with this company's work as specialists in big box and commercial real estate sales. They are also specialists in small markets and are very familiar with communities like ours. He believes this project will attract national retailers which is exactly the kind of retail establishment needed here. He stated that we are not growing as dramatically as communities around us are. He believes if we are to maintain our position as a retail hub and continue to attract shoppers from other counties, we need this type of development. Mr. Joyce stated that on behalf of the Chamber of Commerce, they enthusiastically support this rezoning request.

No one spoke against the request. Mayor Olive closed the public hearing.

The Planning Board retired to the West End Conference Room to deliberate.

D. Public Hearing for Closeout of FY 2009 Maple Avenue Community Revitalization Community Development Block Grant Project

Community Development Manager Karen Kennedy stated they were excited to know they had the opportunity to get this grant and to make a difference for a block and a few streets and it had been a great project. It included the acquisition of some mobile homes, the demolition and clearance of those; housing rehab of seven units; and installation of thirty linear feet of 8" water line and 300 linear feet of 4" water line; completed 1,635 linear feet of street resurfacing; installed 1,206 linear feet of drainage piping; and the installation of a beautiful mini park.

Mayor Olive opened the public hearing.

Community Development Director Bob Bridwell stated that Council had talked about strategies to improve East Sanford. This is an example.

Mayor Olive asked if the City would be able to apply for these grants in the future. Mrs. Kennedy stated that she hoped so and they would continue to apply for the grants, but the legislative shift is toward infrastructure at this time and away from housing. Mrs. Kennedy stated she would appreciate any legislative help with that. She stated that Sanford had improved its infrastructure and other small towns who had not improved theirs might be more likely to receive grant funding for that.

Mayor Olive closed the public hearing.

- Consider Authorization for Mayor to execute closeout documents for submission to the Division of Community Assistance – (Exhibit H)

Council Member Rebecca Wyhof made the motion to authorize the mayor to execute the closeout documents for submission to the Division of Community Assistance; seconded by Council Member Poly Cohen, the motion passed unanimously.

E. Public Hearing for Closeout of FY 2010 Autumn Oaks Housing Development Community Development Block Grant Project

Community Development Manager Karen Kennedy stated this was a 2010 housing development project in partnership with the developers of the Autumn Oaks Housing Development. Staff prepared and worked on the application in order to do the public infrastructure in front of the property. We installed 700 linear feet of street improvements; 900 linear feet of sewer improvements; and 1,300 linear feet of water improvements for the connections for that neighborhood and that apartment complex

Mayor Olive opened the public hearing.

Council Member Wyhof complimented staff on the hard work put into this project. It has made a huge difference having sidewalks to connect with their neighbors. Community Development Director Bob Bridwell stated that yesterday a permit was issued for Phase II. Mrs. Kennedy stated that auditors from the Department of Commerce came recently and audited the 2009 Maple Avenue project for which the City received a clean audit.

Mayor Olive closed the public hearing.

- Consider Authorization for Mayor to execute closeout documents for submission to the Division of Community Assistance – (Exhibit I)

Council Member Charles Taylor made the motion to authorize the mayor to execute closeout documents for submission to the Division of Community Assistance; seconded by Council Member Rebecca Wyhof, the motion passed unanimously.

REGULAR AGENDA

Consider Approval of the National League of Cities (NLC) Service Line Warranty Program

City Manager Hegwer stated this had been discussed at two Law & Finance Committee meetings and had a follow up from the presenter, Mike Madden. Those were forwarded to Council by email.

Council Member Taylor stated there were some misconceptions that came out of the meeting last week. One of those was the use of the City letterhead. They did not use letterhead; they used the logo. Mr. Taylor stated they were asking nothing more or less than what we have provided CVS Caremark in the institution of their program. He stated that unlike the comment that this was a rip off, there are over 500,000 households being reached through this program and there is no cost to the City. When Mr. Taylor talked to Atlanta about the program, they told him that historic districts (aging homes) are good beneficiaries as are urban areas.

Council Member Charles Taylor made a motion to accept this program and give staff the discretion to facilitate the program with the use of the logo. He would like to see the letters that were sent out. Council can have discussions later about what they want to do about any money that is generated for the residents that can be spent wisely within the municipality and within local government. The motion was seconded by Council Member Jimmy Haire. Mr. Haire stated that he had received the most information from Albemarle where the program has been in place about a year and has about 300 subscribers, and they have had no complaints so far. Council Member Williams stated that his research showed he might have been wrong about the program initially, but he wants people to understand that this program is purely voluntary. Council Member Gaskins asked for clarification from Mr. Taylor about any money made on the program as his understanding is that any monies made would go directly to the people purchasing this insurance.

Council Member Taylor stated that he did not know if the money could be legally given back to the participants, but without knowing what the numbers might be, he felt it should be left up to the Board to determine where that money is spent and to think about where the quality of life can be improved in blighted areas.

Mayor Pro Tem Sam Gaskins stated that during the presentation, they indicated that the savings could go into a reduced premium to those individuals or returned to the city. There would be no question of legality. He did not see the reason for the City to be trying to gain any funds off of the buyers of that insurance.

Mayor Pro Tem Sam Gaskins asked to amend the motion so that the city would allow the company to lower the premiums to the individuals rather than send any benefits directly to the City. Council Member Taylor stated he did not know, without the participation level, you could have a significant number of people at the outset drop out and how you would lower that premium based on the participation level that might be stronger in the first year and weaker in

the second year. Mr. Gaskins stated that it did not require his approval, but only requires a second.

City Attorney Susan Patterson clarified that there was a motion and a second and an amendment was offered. If it not accepted as a friendly amendment, then it becomes a matter to be taken up first before you get to the main motion, if there is a second.

Council Member Rebecca Wyhof seconded the amended motion. She stated she had the same understanding of the process as Mr. Gaskins did. Council Member Williams asked what would be the oversight and how would we know if there is a profit. Public Works Director Vic Czar clarified that Council would have access to the information, but Mr. Czar's understanding is that they have two different rates. One rate would be charged and give the City some money based on the amount of participation. If you choose not to do that, they will charge a different rate which will be lower. Mr. Williams stated that his concern is oversight. He asked if the City would know when the rates are increased and if Council would have to approve it. Mr. Czar stated it is their program to run. The people who choose to participate can choose to get out of it as easily as they got into it. There is no city oversight. All they ask is to use the city logo. Council does get to approve any communications they have with the citizens.

Council Member Wyhof asked if the City could terminate its relationship (use of city's logo) if we are not pleased with the service. Mr. Hegwer thought that could be included in allowing the use of the seal. City Attorney Patterson stated that she believes they will do a memorandum of understanding or contract which has not yet been reviewed by the city. That might contain the terms that Council would want to see. You could either have in your motion that we are authorized to execute that or that it would come back to you prior to execution.

There was an amended motion for the city not to collect any income off of this program, but allow the participants to have the lower rate. There were five votes in favor and two against. Those voting against the motion were Council Members Charles Taylor and Jimmy Haire.

Council unanimously approved the motion of Council Member Charles Taylor and seconded by Council Member Jimmy Haire to approve the contract for the National League of Cities (NLC) Service Line Warranty Program. City Attorney Patterson clarified with Mayor Olive that the contract would come back to authorize execution.

Approval of Water Purchase Contract Between the City of Sanford and Carolina Trace Utilities, Inc.

Public Works Director Vic Czar stated that they have been negotiating with Carolina Trace for some time and have reached an agreement whereby if they buy all their water from us we could reduce the rate from \$3.21 per thousand gallons to \$2.21 per thousand gallons. Their increase in volume at the lower rate will result in an increase of revenue to the city, probably somewhere between \$6,000 and \$10,000 per year. We do not control what Carolina Trace does with the reduction in the rate, so we do not know if the rates to the Trace customers will be decreased. He recommends Council approve the agreement.

Mayor Olive asked if there were any conditions under the decision by the utility commission at the last request that would say that rates would be reduced to individual homes. Mr. Czar did not know.

Council Member Taylor expressed concerns. He hoped they would consider a reduction in rate. He made a motion that Council not enter this agreement with Carolina Trace Utilities because of concerns about capacity and pass along all of our correspondence, a summary of our negotiations; a summary of our contract with a stipulation that if the Utility Commission could come back and pass a cost savings that we would honor that contract and also have that contract sent to Chairman Finley of the Utilities Commission as well as Commissioner Bill Culpepper and possibly Commissioner Lucy Allen.

Council Member Jimmy Haire seconded the motion.

Council Member James Williams stated that he sympathized with the Trace residents, as well, but he was not sure that the water bill doesn't include sewer, also. He stated our hands are tied in trying to dictate to Trace Utilities what they should charge their customers. He stated they could also buy water from Harnett County. He thought we should sell them the water as planned and maybe, at some point, be able do something to help the residents.

Mike McDonald 1904 Wedgewood Drive, Carolina Trace, stated that when he testified in 2010, he asked the Utility Commission if they could buy their chemicals for water treatment cheaper from another supplier. They had no incentive to do so because if they reduce their costs, they reduce the amount of dollars they take to the bank. The higher their costs, the more money they take to the bank. Mr. McDonald sees this as a flaw in private utility companies. By the City lowering their rate, they will take less money to the bank. There is no incentive for them to accept the City's rate. Mayor Pro Tem Gaskins asked if Council approved lowering the water rate to the Trace Utility and they agree to the contract, would they be forced to lower their rate? Mr. McDonald stated that they would not; they would pocket that difference until they go before the Utility Commission for another rate increase. Mayor Pro Tem asked if a clause could be put in the contract that would request them to go to the Utility Commission within a certain amount of time to request a lower rate. Public Works Director Czar stated that what they pay the city for wholesale water rate is only a portion of what their rate is dependent upon. They have operation and maintenance costs, etc. How much the reduction would affect their overall cost, Mr. Czar was not certain. Mr. Czar stated that if we reduce the cost, at least the residents have something to move forward with.

Council Member Charles Taylor asked if they would have more leverage if we were able to provide them a letter detailing what council has heard tonight from Carolina Trace residents and that we would be interested in securing a contract with Carolina Trace Utilities, but we wanted to have them vet that process because we have heard from the residents who have seen rate increases for ten years. He did not think they could expect to see the rates lowered. Also, he stated they have some wells and get other water from the City. We have not asked them to cap their wells. Mr. Czar stated it was a benefit to us for them to have the wells. If there were a circumstance by which the city could not serve them water, the wells can serve as a backup supply. Mr. Taylor asked if the strength of a letter with a summary of the facts and a copy of the

contract and our willingness to engage in internet contract with Carolina Trace, would that not carry more weight for City to pass along a decrease and put the responsibility back on Carolina Trace to fight it. City Attorney Patterson stated that the way the Utilities Commission works with private utility providers is that the private utility provider has to justify any increase and prove to the Utility Commission that they are allowed to have an increase or change their rates. Utility providers often go to the Commission when they are looking to increase rates, but rarely to decrease rates. If there were a case before the commission, the lower rate might indicate to the commission that the circumstances had changed. If there were a rate hearing, the strength of our reduction in rate would help the citizens because they could then show a change in circumstance. Council Member Taylor asked not even with the attached proposed contract in place? Attorney Patterson stated that his premise is valid if there is a pending rate hearing. Without one, she did not know if they can consider it on their own motion. Usually the provider schedules for some modification in rates. Then, the citizens can go and testify and present their evidence.

Mr. MacDonald stated that in 2010 the Utility Commission instructed the Utility to negotiate for a lower rate with the City of Sanford. The other stipulation was that the Utility furnish an irrigation meter at their cost. They were told to report back on how the negotiations were going. He did not know of any requests for reporting back. Mr. MacDonald has proposed to the Association that makes up the governing body of Carolina Trace that Trace hire an attorney who has experience arguing cases before the Public Utility Commission. The community decided they could not afford to spend \$10,000 on that. He believes that if the Council passes the lower rates, their next step would have to be to take that to the Utility Commission and ask to have their rate case reopened.

Council Member Haire asked if water and sewer were broken down on the bill. Mr. MacDonald stated that they were. Mr. MacDonald stated that \$94 is the minimum bill and he did not know how it broke down, but the sewer is much higher than the water. He stated that they justify the rate because they doubled capacity a few years ago. Mr. MacDonald stated that the Utility company has changed hands three times in the ten years he has been here. He believes the current parent company is in China.

Council Member Taylor asked to hear the view of Tony Forgione, the president of Carolina Trace. Mr. Forgione stated that they have not gotten anywhere with their conflict with Carolina Trace Utilities and this seems like a good place to start. If they can get a reduced rate and take that as ammunition to the Commission along with some other things would help them, with or without a lawyer. He would prefer for Council to approve the water contract before them. Mr. Taylor asked City Attorney Patterson if counsel could write a letter encouraging not only Carolina Trace Utilities, but also Utilities Commission to look at this.

Mr. Taylor withdrew his motion and made a new motion that Council approve water purchase contract between the City of Sanford and Carolina Trace Utilities, Inc. and send a letter.

In answer to an earlier question by Council Member Haire, Mr. Czar stated that for the use of 5,000 gallons of water by an average family, in Carolina Trace on the current rate, the water portion of the bill would be \$41 and the sewer portion would be \$83. There is a clause in City's contract that the rates be reviewed annually. The tap fee for a water connection is \$605.

City Manager Hal Hegwer thanked Mr. Czar for his efforts to help Trace residents and stated that Carolina Trace is our neighbor and we want to do all we can to help them.

City Attorney Patterson stated that if Council wants to direct the manager, the mayor, the public works director, or whomever on behalf of the council, to send a letter explaining that we have entered into a contract to lower the rate with the hope that it would help to decrease the cost to the residents and eventually lead to lower rates for the residents, that is something we could do. Whether we send it to Trace for them to help with a request for a reopening of the hearing or whether we send it to the Utility Commission would be up to the council. It does not need to be part of a motion; it can just be done. Mr. Hegwer stated he would get it put together and send to them to be sure everyone is comfortable with it.

Council Member Rebecca Wyhof seconded the new motion by Council Member Taylor Council to approve water purchase contract between the City of Sanford and Carolina Trace Utilities, Inc. and send a letter. The vote was unanimous to approve.

OTHER BUSINESS

Council Member Poly Cohen stated that he had talked to George Oboloski about the situation in Trace and he wants to write a letter to the Utilities Commission. He thought all the people in Trace needed to approach the Utility Commission in order to get a lower rate.

Council Member Rebecca Wyhof congratulated Mayor Olive and those who worked on the East Sanford Block Party.

Council Member James Williams stated that he talked with some Jonesboro merchants and they are ecstatic about the new parking lot. Mrs. Headen and Ted Keys are planning to write an appreciation letter to the manager.

Council Member Taylor expressed his sympathy to the people of Boston regarding the bombing tragedy. He thanked Mayor Olive and Marshall Downey for attending the local study group for the NC Mining and Energy board meeting. He thanked Vic Czar on his work on the Carolina Trace issue.

City Attorney Patterson stated she was pleased to announce that a settlement arrangement had been entered into with Bay Breeze Seafood over a utility bill dispute. To avoid further litigation, we accepted the sum of \$6,200 from them.

City Manager Hegwer reminded everyone of the retreat tomorrow morning in the West End conference room at 8:30. The public is invited.

Mayor Olive thanked the people who participated in the Block Party. It was a roaring success with participation from city staff and city manager. Many residents helped. Several people participated learning about it from Social Sanford.

Council Meeting
4.16.13

ADJOURNMENT

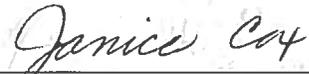
Having no further business to come before the council, the meeting was unanimously adjourned upon motion by Council Member Poly Cohen and seconded by Council Member Jimmy Haire.

Respectfully Submitted,



CORNELIA P. OLIVE, MAYOR

ATTEST:



Janice Cox, Deputy City Clerk